

New Perspective For An Old Problem

THE ULTIMATE CONQUEST OF  
NEGRO ECONOMIC INEQUALITY

By

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An Expansion Of Remarks Before The St. Louis Chapter  
Of The Frontiers International, Dec. 10, 1963

Published By The

St. Louis Division  
NEGRO AMERICAN LABOR COUNCIL

January 15, 1964

## SOME BIOGRAPHICAL NOTES ON ERNEST CALLOWAY

Ernest Calloway, an ex-coal miner from the Big Sandy Valley in the Kentucky Cumberland Mountains, has been active in the trade union movement for more than 30 years.

He has worked as a union organizer in Virginia, North Carolina, Florida, Louisiana, Missouri and Chicago. In 1938, he along with Willard S. Townsend, was one of the founders of the United Transport Service Employees Union in Chicago. In the middle thirties he participated in the formation of the Workers Alliance of Virginia, an organization of Negro and white unemployed in the state. He was associated with the march of the unemployed on Congress during the period.

In 1934 he entered Brookwood Labor College on a scholarship following the publication of an article dealing with the problems of Negro coal miners in the Kentucky coal fields under the National Recovery Act. Brookwood was a well-known workers education center and training ground for union organizers in New York's Westchester county.

For a number of years in Chicago, Calloway served as General Organizer and later Educational Director for the Transport Service Employees Union. He was also active in CIO, NAACP and workers education circles in Chicago and the midwest.

In 1940 he became the first conscientious objector against racial discrimination in the armed forces and refused to be drafted under such conditions. His case created national attention. For a period during World War II, he worked on the editorial staff of the old CIO News in Washington.

In 1948, under the auspices of the British Trade Union Congress, he was one of five U.S. trade unionists to be granted a scholarship to study at Ruskin College at Oxford. In England, he visited many of the industrial centers in a study of changing economic organization in the country. He also spent some time in Paris and observed at close hand the fragmented French trade union movement.

He was offered a second year at Oxford through a Fulbright Scholarship, but he later cancelled it because of a prior organizing assignment from the CIO in the North Carolina tobacco industry.

In 1950 Calloway became associated with Saint Louis Teamsters Local 688 and Harold J. Gibbons in research, educational and organizational capacities. The Union's broad medical care, membership participation, race-relations and economic programs had attracted national and international attention. One of Calloway's several assignments was that of handling State Department-sponsored foreign delegations in the discussion of Saint Louis Teamster methods and social techniques. In this capacity, he has appeared on Voice of America and in 1951 he taught a class in U.S. labor problems and methods at Washington University programmed for foreign students.

On the Negro employment front in Saint Louis, he was closely associated with the successful efforts to integrate the Saint Louis taxi-cab industry, the employment of the first Negro salesmen in a major down-town clothing store under a Teamster contract, the initial employment of Negro sales personnel at Famous Barr and other department stores, the obtaining of the first Negro butcher apprentices at A & P, the employment of Negro driver-salesmen by the Coca Cola Company, and recently

the breaking down of entrance bars against Negroes in plant crafts at Southwestern Bell Telephone Company.

For several years he served as president of the Saint Louis NAACP, and a member of the Board of Directors of the Saint Louis Urban League. In 1957, as NAACP president, he created the semi-autonomous Job Opportunities Council as a co-ordinated NAACP mechanism to pursue a concerted attack upon local employment discrimination with the utilization of a variety of leverage techniques.

The essential characteristic of this NAACP program as it was designed on paper was one of "rolling with the economic punch" with maximum community mobilization. In essence, it borrowed a trade union economic method in which the group process moves from contained and disciplined crisis to maximum negotiable leverage to limited social and economic gain. The "from crisis to leverage to gain" technique was used in both the Famous Barr and A & P cases, and to some extent in the Southwestern Bell case.

However, in 1958, under strong external pressure resulting from the Famous Barr confrontation and NAACP's aid in defeating the proposed new city charter, Calloway voluntarily withdrew as a candidate to succeed himself as NAACP president.

Until recently he published a community newspaper, "The New Citizen." He has also written several "tool" pamphlets for the Teamsters Union on various aspects of "bread and butter" leadership, including organizing techniques, union contract structure and a guide for shop stewards in developing shop leadership.

Based upon changing patterns in American industry and the U.S. labor force, Calloway in early 1963 proposed three inter-related, "communication and partnership" concepts as a general working formula towards the long drive to achieve a new degree of Negro job parity. They are:

1. The development of community tri-partite communication and programming centers co-ordinated by local government. Such an effort to involve the primary forces and factors in job discrimination (management, labor and Negro). The new formula removes government as a horizontal force and brings the three primary forces into direct and continuing communication. The recent creation of the tri-partite Saint Louis Commission on Equal Opportunity follows this general formula.
2. The development of tri-partite "Fair Share of Jobs" covenants with industrial firms agreed upon by management, labor and the civil rights complex. The Fair Share covenants are designed to respect the traditional labor-management prerogatives, but to serve as a "third force" in the collective bargaining process with emphasis upon hiring, training and upgrading without bias.
3. The development of a new community consciousness for the need of expanded vocational and technical education opportunities, and to actively engage in a positive campaign against school "drop-outs" and potential drop-outs.

Merlon Hines, Secretary  
Negro American Labor Council  
January 15, 1964

Mr. Chairman, Mr. Woods and Friends.

It is a real pleasure for me to break bread with members of the Frontiers International here in St. Louis.

Equally pleasurable is the custom of paying for one's lunch by engaging in the discussion of an issue that is close to one's heart, or in this case, close to one's stomach. As a service group, your organization plays an important role in our community. As businessmen, professional persons and civic representatives, you constitute a great deal of the leadership of our city, and what you do and think determines many of the directions in which we move as a community.

As the only regular 'eat, talk and do' organization in the Negro community, I salute you. It should be of some small interest to you to know that there exists a very close intellectual affinity between what goes in, or does not go into the stomach, and what goes on in the collective head of man-kind.

Consequently, the Frontiers can take heart in the knowledge that bread, ideas and the creative exchange of ideas have served as the historic formula for social and revolutionary change. And so talking and eating can be a very dangerous social enterprise in addition to serving as the basis for an occasional attack of indigestion. Those who have failed to recognize the social dynamism inherent in this simple formula, have perished. Marie Antoinette of France should not have demonstrated her utter ignorance and contempt for the formula by arbitrarily suggesting that if there was no bread for the people, "let them eat cake". The tragedy of this monumental expression of contempt is that Marie lost her lovely head as the people of France relentlessly pursued their search for bread and ideas.

While we are on the subject of bread, ideas and revolution, perhaps a few comments are in order on some negative aspects of our own civil rights thrust - or revolution - as

many overly enthusiastic participants and observers desire to call it.

It is my considered opinion that insofar as a creative exchange of ideas is concerned, our current civil rights thrust has produced a companion psychological tyranny that makes it almost impossible to discuss issues with any degree of public honesty and in a climate of mutual tolerance. As a result much of our social vision becomes distorted and our horizons somewhat limited. Unfortunately, most social revolutions harbor their own built-in intolerant potential, and often the long term historical result contradicts the initial social impulse which nurtured the drive for fundamental change. We all remember our history of the French Revolution which eventually gave Europe its Napoleonic era, the German experience which gave the world Bismarck and the rise of German imperialism, and the Russian Revolution which eventually led to Comrade Stalin and the disease of modern totalitarianism. The dreary fact that Negroes in 1963 are seeking fundamental social change in an advanced democratic society merely reflects many of the historical contradictions and social distortions that grew out of our own two revolutions - one in 1776 and the other in 1861.

In our current civil rights thrust, we are developing our own indigenous distorted grammar of studied ignorance and intra-group intolerance. This new built-in tyranny of semantics is spreading throughout the broad reaches of the 'fight for freedom'. We have such word symbols as "militant" which means war-like, but today it has a vague suggestive meaning borrowed from the left-wing experiences of the 1930's. Currently, for the most part, it serves as an emotional sanctuary for a great deal of the ineptness and superficial posturizing developing within the civil rights movement.

We have the old hardy perennial word symbol, "Uncle Tom". Here the symbol is used to support the arbitrary whims of the posturizers and as a substitute for open discussion. It is usually applied to all who disagree with the whimsical "revolutionists". The subtle

meaning of the symbol is quite a distortion of the historic character created by Harriet Beecher Stowe. Mrs. Stowe's memorial character was an elderly slave of magnificent nobility who was determined that his spirit would not be broken by the forces of evil. In truth, his essential character was the antithesis of servility. And incidentally, it was this book and particular character that created more popular concern over the evilness of slavery than many of the more learned abolitionist polemics carried on prior to the Civil War.

We have the word symbol 'integration', which serves as an emotional cure-all for all of our problems. The word actually means to bring together into a whole. This task certainly could apply to the greatly divided Negro community as well as to others.

Nevertheless, our current civil rights thrust is cluttered up with these and other word symbols that mean a host of different things to different people. The irony of this meaningless expedition into thought symbolism and intellectual blood oaths is that new stereotypes are being introduced into an effort designed - in part - to eliminate old stereotypical concepts. More important is that the sum total of this new tyranny of semantics tends to clog many of our avenues of group communication at a strategic moment in time when massive understanding can become a major weapon in the conquest of inequality.

This brings us to a complex subject and an equally complex set of problems that cannot gracefully submit to the sophomoric demands of word symbols or the rhetoric of studied ignorance. What we want to discuss is the fixed marginal position of the Negro as a factor in modern production, distribution and consumption of goods and services in the affluent society. This intimately involves the broad subject of economics, or the dismal science of wealth and the study of how it is produced, divided, accumulated, exchanged and used. Here it is necessary for us to momentarily concern ourselves with the hard cold

realities and injunctions that govern this dynamic force as it moves from one period to another in its constantly changing and ever-continuing development.

The subject matter, incidentally, is color blind, without religious and ethnic prejudices and maintains a fine impartiality in pursuing its function. It is only when conflicting human motives, the acquisitive instinct, group and class self-interest and individual appetites are added to the continuing process that the subject and its function assumes a predatory stance. In this case the survival problems that flow from these many human imperfections become paramount in a society, a nation, a community, a race, a family or - for that matter - a single human being.

The continuing impact of these acquisitive and hard-core human imperfections upon modern society has been closely scrutinized by every economic theorist since the uprooting of feudalism and the manorial society with its somewhat static social and economic environment. With the emergence of the Industrial Revolution in the 18th Century, Adam Smith, a lecturer on British literature at Edinburgh University, proclaimed the order of commercial liberty and economic individualism. Re-inforced by the invention of steam power and the rising merchant class of Glasgow, this Scotsman emerged as the first great economic philosopher of the Industrial Revolution. His "Wealth of Nations" was a treatise on the need to up-root old mercantilist economic restraints to be replaced by the "natural" principles of free trade and unhampered economic activity. The concept of "free enterprise" and "rugged individualism" has its genesis in the original economic thinking of Smith.

The first shift away from the free and unrestricted trade philosophy of Smith and other classical economists of the Industrial Revolution came in the early stages of the economic development of the United States and culminated in the War of 1812. As a former British colony which had existed prior to the Revolution as a prime source of raw material

(slave produced cotton, tobacco, etc.) and profitable consumer of British manufactured products, the newly established nation found that its own emerging manufactures could not adequately compete in an economic environment of free, unrestricted trade. Consequently, the gospel of "protectionism" or high tariff walls for imports became the corner stone of American economic philosophy as developed by Alexander Hamilton, and other early American economists such as Matthew Carey, Henry Carey and Frederick List.

The 19th century produced some additional economic thinking. David Ricardo concerned himself with his quantity theory of money, his principles of rent and the accurate working of competitive forces. Thomas Malthus expressed concern over agriculture, expanding population and the law of diminishing return. John Stuart Mill developed an inept wage fund theory, but went on to introduce into economic thinking the broad social implications involved in cold economic law.

Perhaps the most fundamental 19th Century examination of capital and wealth accumulation and its affects upon the emerging industrial society was made by Karl Marx. He probed the nature of economic crises, challenged the whole school of laissez-faire economists, and advocated the socialization of the means of production and distribution. His theories created the foundation for a modern industrial society with a new and different set of economic variables.

The first half of the 20th century gave us some additional economic thinking. Thorstein Veblen, an incisive and creative observer, introduced his profits theory of business cycles and concerned himself with the phenomenon of conspicuous spending. Stuart Chase made a series of investigations into the matter of economic waste and its major by-product - unemployment. Lewis Corey discussed the decline of the American middle-class. John Boyd Orr gave a great deal of attention to the problem of food and world population. Maynard

Keynes introduced his economic Multiplier and the arts of deficit spending to prime the pump of a stagnant and depressed economy.

The point we are seeking to make is that in this whole historical sweep, the fixed marginal position of the Negro as a production and consumption entity has been either compounded, made more resilient, or more flexible by the consequences of economic thought, action and development. Undoubtedly, it is within the catacombs of this hardy science of wealth where the Negro must relentlessly search for the source of his own peculiar problems of economic inequity and the culture of poverty of which he is a dominant factor.

Today, on the down-hill side of the 20th century, the Council of Economic Advisors and other students of this "dismal science", as Carlyle once called it, have a new economic phenomenon with which to deal. This new development possibly could have as much far-reaching impact upon modern society as that obtained in the old manorial society with the advent of the Industrial Revolution and the laissez-faire economic philosophy of Adam Smith.

These tedious new problems arise out of:

(1) New competitive factors in world trade balance created in part by the rapid post-war development of the European Common Market and the reconstruction of the pound sterling area as reflected in political changes (Africa and Asia) in the British sectors of economic influence.

(2) The continuing "Cold War" with its increasing pressures upon the National budget. Now it has become a permanent institution of massive military, economic and political rivalry between two great irreconcilable world powers and each with a different economic base of operations.

(3) The changing structure of the American economic mechanism as seen on the one hand by the reduced tempo of capital investment and increased level of industrial obsolescence

in certain sectors of the economy, and on the other hand by the rapid, fundamental technological changes taking place in other sectors of the economy and the movement towards the automated and cybernetic society.

These are significant economic developments for the whole of America, and are especially significant for the Negro in his effort to achieve a new economic parity with other areas of the American community. To date, these structural shifts within the American economy has had a disastrous affect upon the rank and file of Negro workers. This is seen with the sobering fact that approximately 35,000 jobs a week, or nearly 2 million a year are being removed from the labor market as a result of automation and other changes in the economy. A great deal of these are unskilled and semi-skilled jobs traditionally held by Negroes, and the depth of these massive industrial changes are seen in the structure of permanent unemployment which places a heavier economic weight upon the Negro worker than upon the average white worker. An example of this harsh fact is seen in the structure of unemployment in the St. Louis area. Of the 37,000 persons currently unemployed in the area, 20,000 or 54 percent are Negroes. In view of the fact that the Negro constitutes about 20 percent of the work force, this preponderance of unemployment is shattering.

In addition to the massive elimination of the traditional unskilled and semi-skilled jobs, an estimated 2 million young people are entering the labor market each and every year, mostly unskilled and unprepared to face the vast economic and industrial changes. The cold arithmetic of these figures indicates that the American economic and industrial machine must produce approximately 5 million new jobs each and every year in order that the economy may keep on even keel. To date, only a minor fraction of this figure has been achieved.

Consequently, as many Negro leaders come to grip with the problems of racial inequity, there is an increasing awareness of the fact that the over-all problem is not only a

civil rights question in its more restricted sense, but a tedious economic problem in a more universal sense.

It is quite possible and a safe probability that the Negro will be able to remove a great deal of the racial stresses, strains, and social inequities that surround many of the limited civil rights questions. These are both moral and social issues that inveigh upon the conscience of a community and are susceptible to wide political pressure. An awakened community and concerted political action can go far in eliminating these abuses and shortcomings.

However, the problem of wealth and poverty, income inequity, unemployment, new employment opportunities, purchasing power and trained manpower availability are broad economic issues that operate within the contours of a different national mold and under a different set of cold, universal self-interest rules. These rules do not bend as easily to the demands and needs of the Negro as the more pliable rules obtained in the area of social and civil rights. This does not mean that the economic aspect of the Negro problem is insurmountable, but merely that to cope with it in any degree of effectiveness, its nature, first, must be understood and the terrain upon which one fights must be studied with great care.

While both the social and economic problems of the Negro may spring from the same well of historical experience, it would be self-defeating not to recognize a life-size reality that the civil rights problem today is somewhat fluid and parochial in essence while the economic problem is more fixed in its orbit and universal in its sweep. A small area of Negro leadership are now in agreement that economic inequality and the more harsh aspects of racial discrimination will only truly give in the face of a concerted assault upon polarized poverty in an affluent society. With the fact before us that the Negro is secure in his domination of the lowest income sectors within the culture of poverty, only a massive comprehen-

sive effort can change this condition. And in this effort, it must be remembered that the Negro does not occupy the bottom of the ladder alone. There are a countless number of other Americans who dwell within the same confines and are victims of the same economic forces from which the Negro seeks to escape and free himself.

Consequently, it should be a point of major emphasis for our civil rights thrust to be fully aware of the fact that we have two "revolutions" going on simultaneously, and they are having terrific impact upon each other. On the one hand, we are engaged in a "social revolution", designed to change old static human relationships between races and the desire of the Negro to be integrated into a society that is slowly receding from the horizon. The kind of an equalitarian society that had its genesis in the period prior to the Civil War and actually began receding with the creation of the Manhattan project and the discovery of atomic energy. Here, it must be noted that energy, historically, has played a most dominant role in social and economic changes. Human and animal energy were conducive to slavery, serfdom, handicrafts, autocracy and divine right of kings. Steam energy gave rise to the industrial revolution, the emergence of new social classes and parliamentary government. Electrical energy gave rise to mass production, concentration of wealth, world cartels and the amassing of political power in fewer hands.

Running parallel with the current civil rights "revolution" that seeks to solve a 19th century problem is the compelling cybernetic revolution with its sweep of fundamental change in technology and the labor force. This particular revolution has its eyes on the 21st Century and possibly a new set of economic, social and political relationships in a dehumanized society that may slowly be taking form today.

What makes the tow inter-related revolutions so complex and grave for the Negro is that one is long over-due, and the other is one which he is not yet prepared to cope with.

An interesting view of the past to reflect upon is that the Negro began losing the unfolding cybernetic revolution at the point he was making his most serious social retreat in the forward march from chattel slavery. To do this we must pin-point the significant decade between 1890 and 1900. Negro political leadership of this decade - for the most part accepted the revision of many southern state constitutions which legally disfranchised millions of black voters, and with a new economic variation returned them to their former status in a fixed agricultural economy. It was also the decade which gave us the 'separate but equal' judicial philosophy in the Supreme Courts decision in the Plessy case. This decision sanctified organized terrorism and compounded the denials of citizenship under state constitutional revisions. The net affect of these developments was one of creating a new caste system within the frame-work of an expanding industrial revolution. Consequently, the Negro - for all practical purposes - was turned away from the main-stream of the new industrial flow and entered the frustrating back-washes of American economic life.

Interestingly enough, it was also the decade of re-evaluation and soul searching as reflected in the historic polemics between Dr. W.E.B. DuBois of Atlanta University and Dr. Booker T. Washington of Tuskegee Institute.

In retrospect, both DuBois and Washington were partially right, and neither wholly wrong. The source of the deep philosophical conflict obtained here is that each were diagnosing the elephant of American society from different vantage points. Dr. DuBois evidently viewed the problem of the Negro essentially in terms of 19th century social dynamics with the rise and assumption of power of the American middle class. From his intellectual vantage point these values of middle class supremacy presented to the Negro certain guidelines for eventual assimilation into the mainstreams of American society.

Dr. Washington, on the other hand, apparently viewed the problem in terms of the

expanding industrial revolution which had been contained by the institution of slavery. However, with chattel slavery up-rooted and the political dominance of southern agricultural power in temporary retreat, it was natural to assume that the former slave and the churning industrial revolution had a mutual rendezvous with America's destiny. Both had been victims of the same set of historical circumstances, both had been freed by the Civil War, and both had a compelling and companion journey to make into the American future.

The Negro today cannot afford the luxury of repeating the errors of the 1890's. By the very nature of the sweep of modern events, he must realistically view the whole elephant of American society in all of its political, economic, industrial social and cultural ramifications. He must view it in full perspective, both in terms of its many domestic pursuits as well as its changing position in world leadership. It is only from the vantage point of such a broad, comprehensive view that the Negro will be able to grasp and weigh the essential nature of his peculiar problem as America quickly moves from one period of economic change to another in the new Revolution of Technology and the Push Button Cybernetic Society.

Within this particular frame of reference, it would appear that the first and primary task of the Negro is to seek out the natural habitat of his poverty, explore its depth, identify its cause, and recognize its impact in the affluent society. The income level of the Negro is a good beginning point.

#### INDIVIDUAL INCOME DISTRIBUTION AMONG NEGROES, 1960

Income Levels	Total	Percent Of Total	Urban	Rural Non-Farm	Rural Farm
Negroes With Income	\$9,434,000	100.0%	7,134,000	1,717,000	583,000
Less Than \$500	1,944,000	20.6%	1,092,000	587,000	275,000
\$500 to \$999	1,709,000	18.1%	1,166,000	402,000	192,000
\$1,000 to \$1,499	1,061,000	11.2%	795,000	201,000	64,000
\$1,500 to \$1,999	784,000	8.6%	615,000	136,000	33,000
\$2,000 to \$2,999	1,395,000	14.8%	1,167,000	193,000	35,000
\$3,000 to \$4,999	1,776,000	18.6%	1,595,000	158,000	24,000
\$5,000 and Over	766,000	8.1%	707,000	50,000	9,000
Non-White Median Income (In Dollars)	\$1,502.00		\$1,919.00	\$849.00	\$557.00

**THE STRUCTURE OF POVERTY IN THE AFFLUENT SOCIETY**  
**(Distribution of Family Income - 1960)**  
**Source: U.S. Department of Commerce**

Family Income Levels	Percent of All Families	Percent of White Families	Percent Of Non-White Families
No. of U.S. Families	45,435,000	41,104,000	4,331,000

**BASIC POVERTY SECTOR**

Under \$1,000	5.0%	4.1%	13.4%
\$1,000 to \$1,999	8.0%	6.9%	18.3%
\$2,000 to \$2,999	8.7%	8.1%	14.8%
\$3,000 to \$3,999	9.8%	9.4%	14.0%
Totals	31.5%	28.5%	60.5%

**PERIPHERAL POVERTY SECTOR**

\$4,000 to \$4,999	10.5%	10.5%	10.4%
\$5,000 to \$5,999	12.9%	13.3%	8.7%
\$6,000 to \$6,999	10.8%	11.2%	6.7%
Totals	34.2%	35.0%	25.8%

**THE AFFLUENT SOCIETY**

\$7,000 to \$9,999	20.0%	21.3%	8.7%
Over \$10,000	14.3%	15.3%	4.9%
Totals	34.3%	36.6%	13.6%
Median Family Income	\$5,620.00	\$5,835.00	\$3,233.00

In 1960, the Negro with an estimated aggregate income of approximately \$14 billion secured approximately 3.4 percent of total U.S. personal income and approximately 3.9 percent of total disposal personal income. The depth of the gap in income inequity is viewed from the point that the Negro constitutes 10.5 percent of the total U.S. population. In other words, a particular 10 percent of the population is receiving a 3 percent slice of the income pie. Consequently, the factors of mal-distribution, institutional poverty and built in discrimination had a price tag which cost the Negro approximately \$24 billion in 1960 or an

average of nearly \$6,000 per Negro family.

This income inequity is further aggravated when we view the distribution among Negroes of this unnecessarily short slice of income pie. In 1960 there were 9,434,000 Negroes who received income. Of this number, 20.6 percent received less than \$500; 18.6 percent received between \$500 and \$999; 11.2 percent had an income between \$1,500 and \$1,999. Here, we have pin-pointed the areas of extreme, dire poverty, and the figures indicate that 58.5 percent of all Negro individuals with income in 1960 received less than \$2,000.

Moving from the lower depths of poverty to the periphery of Negro income poverty, figures indicate than another 33.4 percent of all Negro individuals in 1960 received between \$2,000 and \$5,000. Only 8.1 percent of Negroes with income, received in excess of \$5,000 during 1960.

The income picture becomes more depressing when viewed in terms of family units and compared with white family units. Figures indicate that 60.5 percent of all non-white families in the U.S. in 1960 had a combined income of less than \$4,000 as compared with 28.5 percent of white families. In the comparatively affluent sectors of income (\$7,000 and over) only 13.6 percent of non-white families reached these heights as compared with 36.6 percent of white families.

#### EMPLOYMENT

In a large measure, the level of income is closely related to the kind and quality of employment. Thus the extremely low income levels of the Negro is graphically reflected in the dominant structure of Negro employment.

**CHANGES IN THE DISTRIBUTION OF THE NEGRO AND WHITE WORK FORCE  
BETWEEN 1950 AND 1962**

Type of Employment	Percent White Employed		Percent Non-White Employed	
	1950	1962	1950	1962
WHITE COLLAR SECTOR (Professional, Technical, Clerical, sales, etc.)	40.3%	47.7%	10.2%	18.3%
BLUE CHIP SECTOR (Craftsmen, foremen)	13.7%	13.7%	4.8%	5.7%
BLUE COLLAR SECTOR (Operatives, semi-skilled production and maintenance workers, etc.)	20.6%	17.3%	18.6%	20.1%
MARGINAL SECTOR (Laborers, Household Service, Service Workers)	13.5%	14.6%	47.9%	46.6%
AGRICULTURAL SECTOR	11.7%	6.7%	18.4%	9.4%

In 1962 of the nearly 7 million Negroes employed, 46.6 out of every 100 working were employed in the marginal sectors of the U.S. labor force. In 1950 there were 47.9 Negroes out of every 100 employed in this low income area. In a 12 year period only 1.3 Negroes out of every 100 were able to move out of the category. Among white workers in 1962, only 14.6 out of every 100 were employed as laborers, household employees and service workers.

At the other end of the employment pole which is composed of craftsmen, figures for 1962 indicate that 5.7 Negroes out of every 100 were working in this "blue chip" job sector as compared with 13.7 out of every 100 white workers.

In the white collar sector Negroes have made some gains over the past 12 years. In 1950, ten out of every 100 Negroes working were classified as professional, technical, clerical or sales workers as compared with 40 out of every 100 white workers. In 1962, eighteen out of every 100 Negro workers are in this area as compared with 47 out of every 100

white workers.

A levelling area of employment in terms of the Negro-white percentages in found in the blue collar sector today. This would include semi-skilled production and maintenance workers. Here 20 out of every 100 Negroes working are found as compared with 17 out of every 100 white workers. Twelve years ago, the situation was reversed. In 1950, twenty out of every 100 white workers were in this category as compared with 17 out of every 100 Negroes. The trend of technological change indicates that the white worker is fast vacating this sector and the Negro is pushing in.

#### GENERAL EMPLOYMENT STATUS OF NEGROES IN 1960

	Total	Urban	Rural Non-Farm	Rural Farm
Total, 14 Years & Over	13,154,000	9,721,000	2,501,000	931,000
Labor Force	7,399,000	5,775,000	1,182,000	442,000
Civilian Labor Force	7,259,000	5,701,000	1,116,000	422,000
Employed	6,629,000	5,188,000	1,019,000	422,000
Unemployed	630,000	513,000	97,000	20,000
Percent Unemployed	8.6%	9.0%	8.6%	4.7%
Total Not in Labor Force	5,574,000	3,946,000	1,319,000	489,000

#### UNEMPLOYMENT

While the employment problems of the Negro is deep-seated and critical, the grave matter of unemployment among Negroes is bordering on economic disaster.

A birds-eye view of the overall problem shows that since 1945, the civilian labor force has increased by 27 percent, the non-agricultural labor force has increased by 38 percent, the agricultural labor force has decreased by 44 percent, and unemployment has increased by 320 percent or more than tripled its rate since World War II. Under ordinary economic circumstances, these changes would suggest that the American economy has been somewhat depressed since World War II. Nothing could be further from the truth as reflected in the substantial increase in productivity, the gross national product and corporate profits.

The Gross National Product in 1945 was \$213 billion<sup>as compared with \$521 billion</sup> in 1961 or a 144 percent increase. Corporate profits moved from \$18 billion in 1945 to \$46 billion in 1961 or an increase of 155 percent.

What the figures suggest in a very sober way is that the rich are getting richer and the poor are getting poorer.

Since 1947, four business recessions have interrupted business prosperity. And in each case business has fully recovered, but the "recovery" left in its wake a larger residue of permanently unemployed persons. This is an entirely new economic phenomenon within the long history of our competitive economy. Some economists have dubbed this new kind of unemployment as "structural" unemployment, reflecting the structural changes taking place in the national economy.

The Negro worker has emerged as the prime victim of "structural" unemployment. In 1960, the Negro constituted about 9 percent of the total work force. During the same year total unemployment amounted to 3,931,000 of which approximately 630,000 or nearly 18 percent were Negroes. The real depth and utter hardship lurking in these figures were reflected in the major industrial centers with large concentrations of Negroes.

An Urban League survey of 30 major industrial centers in 1960 showed that total unemployment in the selected areas amounted to 7 percent, but Negroes unemployed represented 15.5 percent of the Negro work force. Of the total unemployed in the 20 cities, 33.9 percent were Negroes.

In Chicago, 44.1 percent of the unemployed were Negroes although the Negro worker only constituted 14.7 percent of the work force.

In Detroit, 61 percent of the unemployed were Negroes although they represented only 19.5 percent of the work force.

In Philadelphia, 54.7 percent of the unemployed were Negroes although they represented only 13.0 percent of the work force.

In St. Louis, 48.5 percent of the unemployed were Negroes and they represented 20 percent of the work force.

In Louisville, 61 percent; Washington 68.5 percent and Cleveland 30.3 percent.

Throughout the industrial centers of America these disproportionate patterns were set.

#### EDUCATION

#### INVENTORY OF THE NEGRO EDUCATIONAL FRONT - 1960

Enrollment In 1960	Total Non-White	Urban	Rural Non-Farm	Rural Farm
Total, 5 to 34 years	5,446,000	3,771,000	1,147,000	528,000
Kindergarten	223,000	207,000	15,000	2,000
Elementary School	3,972,000	2,658,000	802,000	422,000
High School	1,058,000	736,000	220,000	102,000
College	192,000	170,000	20,000	3,000
<u>Years of School Completed</u>				
Total, 25 years & Over	9,857,000	7,478,000	1,764,000	614,000
No School Years	555,000	315,000	179,000	62,000
% No School Years	5.6%	4.2%	10.1%	10.8%
Elementary				
1 to 4 years	1,759,000	1,079,000	481,000	190,000
5 to 7 years	2,303,000	1,623,000	488,000	192,000
8 years	1,264,000	1,018,000	185,000	61,000
High School				
1 to 3 years	1,842,000	1,559,000	226,000	57,000
4 years	1,356,000	1,194,000	133,000	29,000
College				
1 to 3 years	431,000	388,000	36,000	8,000
4 Years or More	347,000	304,000	37,000	7,000
MEDIAN SCHOOL YEAR COMPLETED				
	8.2	8.7	6.4	5.7

In 1960, the U.S. census figures indicated that there were 9,587,000 Negroes in the country over 25 years of age. Of this number 5,881,000 or 59 percent had 8 years or less of schooling. Figures also revealed that 555,000 of these were illiterate. The illiteracy rate showed up highest in the rural areas with one out of every 10 Negroes over 25 years of age with no schooling at all.

We think that the basic evidence and patterns of inequity have been presented. While there are many other supplementary factors and by-products that feed upon the structure of Negro economic inequality, it is clearly indicated that income, employment, unemployment and education form the bulwark of this problem.

Consequently, with 58 percent of individual Negroes with income below \$2,000 ; with 46 percent of Negro families receiving income below \$3,000; with 46 percent of all Negro workers confined to the marginal areas of employment and constituting nearly 20 percent of the permanently unemployed, and with 8.2 years of schooling, we are presented with the simple, but brutal economic equation of institutional poverty.

It is a hard-core poverty that not only involves approximately 80 percent of the Negro sector of the population, but reaches out to suffocate nearly 35 percent of the total American community, Negro and white alike. It is a poverty that flows from the inter-action of the "natural" forces of inequity in a traditionally competitive economy which has assumed a fixed predatory stance through increased national monopolies and world cartelization. Insofar as the Negro is concerned, these "natural" forces of inequity have been compounded by the "subjective" forces of racial discrimination. Both of these forces seek the same end, and that is to maintain this peculiar economic in-balance in perpetuity. One is coldly and aggressively predatory because of its inner nature, and the other is not only predatory, but demeans the human personality because of fear and other subjective factors .

The question that now presents itself in bold relief is, "Where do we go from here?"

Speaking in general terms, it must be pointed out that the accumulative civil rights thrust has made some significant moral gains within the past decade. Today, without question, it is the dominant continuing force for social change in America. The dynamics of this force of hope involves more than the matter of racial discrimination. It involves the structure of our whole economy; it involves the posture of America in the arena of world leadership; it involves the total social and cultural fabric of our democratic society, and because of the peculiar super-structure of domestic and international balances, it will determine - in a large measure - the future of our country in many areas other than the sector of civil rights.

In 1964 with this great responsibility squarely upon the shoulders of the civil rights thrust, the vapor trails of social infantilism and the lack of a broad perspective is a luxury that neither the Negro, the U.S. nor the world can afford at this strategic moment in history.

In placing this tremendous issue into focus, it should be crystal clear that while some minor gains have been made in the "eating and learning" sector of racial discrimination, the real substantive gains have been primarily in the area of awakening the consciousness of the Negro community, large sections of the white community and the world community to the deceptive nature of the American posture of functional humanity. The young Negroes and others of the South have made a magnificent contribution to this effort and have dramatized the moral need for basic social change. History will record that it was done with the simple inward thrust of dignity in the face of blatant indignities and with moral discipline in an immoral social climate.

As a result of many diverse efforts, the problem of racial inequity in America is now in sharp national and international focus for the first time. Our most difficult job ahead is

to keep it in sharp focus, and not permit it to be reduced to a series of unrelated social mirages with various elements moving out in all directions seeking an individual oasis of group or organizational supremacy.

To keep it in sharp focus requires a great deal of planning in depth and coordinated activity on the part of the civil rights complex. It will require a higher level of social discipline, the evolution of some necessary ground rules in inter-organizational relationships, the elimination of the political adventurers and professional posturizers who are slowly cluttering up the movement and draining its vision and vitality in various communities throughout the country, and finally the development of a practical working blue-print with a division of organizational responsibility in approaching the citadels of inequality.

Many of the lessons of negativeness during 1963 should be studied. During the year there was a great tendency in far too many cases for local groups to wander off on expeditions with nothing to sustain them but anger and enthusiasm, and when this had evaporated the only thing left was a residue of community frustration. It should be a point of policy on the part of all organizations that the civil rights thrust cannot be used as a means of obtaining an occasional social orgasm, or serve as a form of occupational therapy for those who really should be under the care of a practicing psychiatrists. The net result of many of these un-planned expeditions is that moral support in the broad reaches of the community has been lost, social vision has been dimmed and the civil rights thrust has been caricatured beyond recognition.

In the matter of economic inequality and employment discrimination, there appears to be some agreement that this is not a surface problem. It is deep-seated and festers beneath the top-soil of the American economy. This would certainly suggest that there are no quick answers, no patent formulae, no short cuts to success, and no vacuums in which the

problem can be contained and isolated within our national economy.

Perhaps there is one current vacuum which should be discussed, and that is the cure-all vacuum of "FEPC". Sufficient economic evidence would indicate that fair and equal employment can only be substantially achieved within the frame-work of expanding full employment. A competitive economic system that cannot afford full employment with increased economic activity definitely cannot afford the more definitive aims and aspirations of those who seek fair and equal employment. Thus as an isolated effort, it is merely using a salve to cure a cancer. In the absence of full employment consistent with increased productivity and expanded economic activity, the best that the Negro can realize is a condition of "sharing the poverty" in the distribution of the restricted number of meaningful jobs available. And this, in the long haul neither solves the problem of the Negro worker nor the white worker. An economy that must produce 5 million new jobs each year for the next 10 years in order to reduce the economic tension of automation, and currently has not produced a fraction of this employment time-table is just that far away from a climate of equal and fair employment.

This would suggest that the civil rights complex has reached the point where it must formulate a new comprehensive and more universal offensive to achieve its desired goal on the employment front. It must become increasingly aware of the hard fact that the core of its problem is full employment. This old legislative concept of "fair employment" has now outgrown its historic usefulness. To continue to use it alone as a cure-all for economic and job inequality merely pushes the current civil rights thrust into a jungle of frustration. The "fair employment" concept was the creature of an expanding labor market and the demands of a war economy for full and total utilization of manpower. During this period of World War II, it was a useful and creative instrument, but today we cannot successfully use 1940 tech-

6. Meanwhile, back at the budget, the Civil Rights Thrust should seek a meaningful Public Works program to absorb some of the economic pressures of structural unemployment and at the same time add some new social assets to communities around the country.
7. In the area of employment and unemployment, the Civil Rights Thrust should have as great a concern for our social insurance programs as it maintains for "fair employment". It should seek improvement in Social Security benefits, seek to reduce the normal retirement age and seek uniformity in state unemployment compensation benefits.
8. With a \$500 billion Gross National Product and a \$45 billion ~~comparative~~ profit condition, we can certainly afford a \$2 an hour federal minimum wage. This also could be a primary legislative task for the Civil Rights Thrust. It could also be approached at the state legislative level in an offensive for state minimum wage laws of \$1.25 an hour for workers in intra-state operations (where a great number of low paid Negroes are found.)
9. Another major attack upon the problem of unemployment and a greater distribution of the economic fruits of automation is obtained in the reduction of the basic work week. The shorter work week should also be at the top of the list of the Civil Rights thrust as it approaches the problem of Negro employment.
10. Also back at the Budget and the tax structure, the Civil Rights thrust should be in the forefront of the legislative offensive for federal aid to education and a program of medical care for the aged.

On leaving the national legislative front, the grass-roots community front becomes the primary battleground. It is on the community front where practical gains must be consolidated and legislation translated into meaningful results. Here the Civil Rights Thrust must be prepared to use - without prejudice - all available community resources in the fight for Negro employment and training parity. No technique or method is sacrosanct, but more important, the technique or the tools of combat and the social logistics must be consistent with the particular social and economic terrain. One cannot effectively conduct a selective buying campaign against U.S. Steel, but with enough study of U.S. Steel there may be other appropriate social and political combat weapons.

Community mobilization and translation of the specific issue into meaningful and clear-

cut terms are the two greatest challenges facing the Civil Rights Thrust at the local community level. In most cases the issue of employment is the lowest common denominator of social concern within the Negro communities around the country. There is a tremendous emotional potential in this issue. Consequently, great effort should be made to keep the issue expertly simple and resist any effort to cloud the issue with intellectual knick-knacks. Here the Civil Rights Thrust can obtain some major lessons from the trade union movement. In most cases when a Union moves into an economic crisis, the issue has been made simple and clear, the mass action is disciplined and the target remains flexible, depending upon the amount of pressure exerted and the minimum goal sought.

Operations on the community level demand a greater sense of social proportion on the part of leadership than that needed at the national level. The community level, like the local union level, demands practical 'bread and butter' progress. It is this kind of measurable progress that whets the social appetite and sustains the drive for change at the grass-roots level.

National leadership has the responsibility of creating the climate for change, but local community leadership is held to the more difficult task of taking advantage of the climate in the continuing conquest of Negro economic inequality.